lending rate which were hitherto prescribed at 16.5 percent (fixed) cease to have a ceiling stipulation, the lending rates for such categories of borrowers will, however, be subject to a minimum of 16.0 percent. Reserve Bank of India has also restructured interest rates on bank loans for housing purposes. It is not contemplated to give effect to this measure retrospective to 1985. Short term loans to small scale industries upto Rs. 2 lakhs were not subject to this rate of 16.5 percent and as such the measure announced is not applicable to such borrowers.

Demand of the Uttar Pradesh National Saving Agents Association

2424. SHRI SAMAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received a memorandum dated 25th June, 1988 addressed to the Prime Minister by the Uttar Pradesh National Savings Agents Association, Kanpur;

(b) if so, what are their demands relating to commission in Post Office Monthly Income Scheme and Kisan Vikas Patra; and

(c) what action has been taken by Government on their demands?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) and (c) The associations demand for increasing the rate of agents' commission from 1 per cent to 2 per cent in respect of investments secured in Post Office Monthly Income Scheme and Kisan Vikas Patra was considered but not found acceptable.

2425. *Transferred to the 6th December, 1988).*

Appointment of Chairman of a Gramin Bank

2426. SHRI SAMAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that minimum scale IV officer of sponsoring bank will be the Chairman of a Gramin Bank;

(b) if so, what are the reasons for which the scale II Officer of Bank of Baroda is being allowed to continue as Chairman of Allahabad Kshetriya Gramin Bank even after expiry of his period and whether a new Chairman is going to join soon; and

(c) whether it is a fact that Chairman, Allahabad Kshetriya Gramin Bank did not regularise daily-wage part-time messenger on seniority basis as advised by NABARD, if so, what action has been taken by Government against him?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Pursuant to the decisions taken on the recommendations made by the Working Group on RRBs, sponsor banks have been advised to appoint Scale IV/V Officers as Chairmen in RRBs. The existing Chairmen however have not to be displaced till the expiry of their term. On the recommendations of Bank of Baroda, sponsor bank of Allahabad Kshetriya Gramin Bank, a scale IV Officer had been selected for appointment as Chairman of the Bank. However, the selected officer could not assume charge due to certain unavoidable reasons and another suitable officer is being selected.